

§ 41.35

§ 41.35 Cigarette tubes.

Cigarette tubes are taxed at the following rates under 26 U.S.C. 5701(d):

Product	Tax rate for each 50 tubes* for removals during the following periods:	
	2002 to March 31, 2009	April 1, 2009 and after
Cigarette tubes up to 6½ long.	\$0.0244	\$ 0.0630
Cigarette tubes over 6½ long.	Use rates above, but count each 2¾ or fraction thereof of the length of each as one cigarette tube.	

* Tax rate for less than 50 tubes is the same. The tax is not prorated.

[T.D. TTB-75, 74 FR 14484, Mar. 31, 2009, as amended by T.D. TTB-85, 75 FR 42607, July 22, 2010]

CLASSIFICATION OF LARGE CIGARS AND CIGARETTES

§ 41.37 [Reserved]

§ 41.38 Cigarettes.

For internal revenue tax purposes, small cigarettes are designated Class A and large cigarettes are designated Class B.

(72 Stat. 1414; 26 U.S.C. 5701)

[26 FR 8191, Aug. 31, 1961. Redesignated at 40 FR 16835, Apr. 15, 1975]

§ 41.39 Determination of sale price of large cigars.

The tax imposed on large cigars is computed based on the sale price (the price for which the large cigars are sold by the importer or United States manufacturer). In addition to money, goods or services exchanged for cigars may be considered as part of the sale price. See § 40.22(b) of this chapter for information on determining the sale price in special cases. See § 41.40 of this chapter regarding liability for tax on large cigars, not put up in packages, released from customs custody without payment of tax for delivery to a domestic manufacturer of tobacco products.

[T.D. ATF-420, 64 FR 71944, Dec. 22, 1999; T.D. ATF-422, 64 FR 71948, Dec. 22, 1999; T.D. ATF-422a, 65 FR 15058, Mar. 31, 2000; T.D. ATF-460, 66 FR 39093, July 27, 2001; 78 FR 38568, June 27, 2013]

EFFECTIVE DATE NOTE: At 78 FR 38568, June 27, 2013, § 41.39 was amended by adding the words “United States” before the word

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“manufacturer”, and by adding a sentence at the end, effective Aug. 26, 2013 through Aug. 26, 2016.

LIABILITY FOR AND PAYMENT OF TAXES

§ 41.40 Persons liable for tax.

The importer of tobacco products or cigarette papers and tubes is liable for the internal revenue taxes imposed thereon by 26 U.S.C. 5701 or 7652, except when tobacco products or cigarette papers or tubes imported or brought into the United States (other than those previously exported and returned) are released from customs custody, without payment of tax as provided under 26 U.S.C. 5704(c). Under section 5704(c), tobacco products and cigarette papers and tubes, imported or brought into the United States, may be released from customs custody, without payment of tax, for delivery to the proprietor of an export warehouse, or to a manufacturer of tobacco products or cigarette papers and tubes if such articles are not put up in packages. Under these circumstances the transferee will become liable for the internal revenue tax on these articles upon release from customs custody, and the importer will thereupon be relieved from the liability for the tax. However, if the transferee is also the importer, the importer will not be relieved from the liability for the tax.

[78 FR 38568, June 27, 2013]

EFFECTIVE DATE NOTE: At 78 FR 38568, June 27, 2013, § 41.40 was revised, effective Aug. 26, 2013 through Aug. 26, 2016.

§ 41.41 Determination and payment of tax.

Tobacco products and cigarette papers and tubes imported or brought into the United States, on which internal revenue taxes are due and payable, are not eligible for release from customs custody until those taxes have been determined.

[78 FR 38569, June 27, 2013]

EFFECTIVE DATE NOTE: At 78 FR 38569, June 27, 2013, § 41.41 was revised, effective Aug. 26, 2013 through Aug. 26, 2016.